

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 PM-04 INR-07 L-03 ACDA-07

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SAJ-01 EURE-00 NSC-05 MC-02 EB-07 OMB-01 H-02 /077 W

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P 121448Z APR 76

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SECDEF WASHDC PRIORITY

INFO USMISSION NATO BRUSSELS PRIORITY

AMEMBASSY ANKARA PRIORITY

AMEMBASSY ATHENS PRIORITY

AMEMBASSY BRUSSELS PRIORITY

AMEMBASSY COPENHAGEN PRIORITY

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AMEMBASSY LISBON PRIORITY

AMEMBASSY LONDON PRIORITY

AMEMBASSY LUXEMBOURG PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY PARIS PRIORITY

AMEMBASSY REYKJAVIK PRIORITY

AMEMBASSY ROME PRIORITY

CINC EUR VAHINGEN PRIORITY

USNMR SHAPE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BONN 06125

E. O. 11652: GDS

TAGS: MWSS, MARR, MCAP, NATO, GW

SUBJECT: DISCUSSIONS WITH FRG OFFICIALS ON THE US

DEFENSE BUDGET; THE LEOPARD II TANK EVALUATION;

NATO AWACS PROGRAM; AND US NORTHAG DEPLOY-

MENTS

REF: LONDON 5512 DTG 091207Z APR 76 (NOTAL)

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1. SUMMARY: IN A SERIES OF MEETINGS ON 7 APRIL WITH
MOD LEBER, STATE SECRETARY MANN, DIRECTOR FOR ARMAMENTS

EBERHARD, AND FRG STAFF ASSISTANTS, US DEPUTY SECRETARY OF DEFENSE ELLSWORTH OUTLINED RATIONALE SUPPORTING US FY 77 DEFENSE BUDGET AND RESULTING CONGRESSIONAL AND PUBLIC SUPPORT FOR THE BUDGET WHICH STEMS FROM RECOGNITION OF STEADY GROWTH IN SOVIET MILITARY STRENGTH. ELLSWORTH AND LEBER AGREED THAT BOTH GOVERNMENTS SHOULD EMPHASIZE MORE THE ADVANTAGES WHICH WILL RESULT FROM THE LEOPARD 2 TANK EVALUATION IN TERMS OF MUTUALLY BROADENED UNDERSTANDING IN THE TANK DEVELOPMENT FIELD, DESIGN IMPROVEMENTS, AND COMMON SUBSYSTEMS. LEBER ASKED THAT THE US SERIOUSLY CONSIDER THE FRG 120MM TANK GUN IN VIEW OF EXPECTED IMPROVEMENTS IN SOVIET TANK QUALITY. WITH RESPECT TO AWACS, DR. MANN STATED THAT THE FRG COULD PROVIDE ITS DOLLARS 4 MILLION SHARE OF THE INITIAL FINANCING FASTER IF IT IS CLEARLY INTENDED FOR NECESSARY R&D WORK INSTEAD OF PROCUREMENT, SINCE THERE IS NO NEED FOR FORMAL BUNDESTAG ACTION. FRG EXPRESSED APPRECIATION FOR INSIGHTS INTO STATUS OF US DEFENSE BUDGET AND INDICATED FRG INTENDS TO MAINTAIN AND INCREASE DEFENSE PROGRAMS. END SUMMARY.

2. LEOPARD 2 TANK EVALUATION: DEPSECDEF ELLSWORTH STATED THAT THE US EVALUATION OF THE LEOPARD 2 WOULD BE COMPLETELY FAIR AND IMPARTIAL, BUT THAT IT WOULD NOT BE EASY FOR THE LEOPARD 2 TO EMERGE AS FIRST CHOICE SINCE THE XM-1 PROTOTYPES ARE, IN FACT, DOING VERY WELL. THEREFORE, BOTH GOVERNMENTS MUST BE CAREFUL NOT TO RAISE EXPECTATIONS ON THE PART OF THE PUBLIC THAT CANNOT BE MET. EVEN IF THE FRG AND THE US ARE UNABLE TO CHOOSE THE SAME TANK, BOTH SIDES SHOULD EMPHASIZE THAT THE EVALUATION HAS ALREADY BEEN AN IMPORTANT STEP TOWARD STANDARDIZATION: IT HAS INCREASED OUR MUTUAL UNDERSTANDING IN THE TANK DEVELOPMENT FIELD, HAS RESULTED IN IMPORTANT DESIGN IMPROVEMENTS, AND MAY LEAD TO ADOPTION OF COMMON SUBSYSTEMS. DR. MANN SAID THAT THE US REQUEST TO CONGRESS FOR FUNDS FOR FULL SCALE DEVELOPMENT OF THE XM-1 CAUSED SURPRISE AND CONCERN SINCE THE FRG HAD GONE TO CONSIDERABLE TROUBLE AND EXPENSE TO MODIFY THE LEOPARD 2 TO MEET US SPECIFICATIONS. CONFIDENTIAL

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INFO OCT-01 ISO-00 EURE-00 CIAE-00 PM-04 INR-07 L-03

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AMEMBASSY ANKARA PRIORITY

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C O N F I D E N T I A L SECTION 02 OF 02 BONN 06125

CATIONS. ELLSWORTH INDICATED THAT FULL SCALE DEVELOPMENT OF THE XM-1 WOULD BE HELD TO A MINIMUM PENDING COMPLETION OF THE LEOPARD 2 EVALUATION AND WOULD NOT EXCEED DOLLARS 70 MILLION -- A RELATIVELY SMALL AMOUNT GIVEN THE SIZE OF THE TOTAL PROGRAM.

3. DR. MANN REVEALED THAT GERMAN INDUSTRY HAD ACCUSED
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HIM OF TRANSMITTING TOO MUCH TECHNICAL DATA ON LEOPARD
2 TO THE US WITHOUT GETTING AN EQUAL RETURN. HIS REPLY

TO FRG INDUSTRY WAS THAT THE FRG HAD COMMITTED ITSELF TO FULL COOPERATION WITH THE US AND INTENDED TO LIVE UP TO THAT COMMITMENT. DR. MANN PROPOSED THAT BOTH THE US AND FRG SHOULD:

- (A) EMPHASIZE THAT THEY INTEND TO ADHERE FULLY TO EXISTING AGREEMENTS AND COMMITMENTS;
- (B) AVOID ANY PUBLIC IMPLICATION THAT THEY DOUBT THE OTHER PARTY'S POSITION;
- (C) REFRAIN FROM MAKING ANY STATEMENTS THAT MIGHT BE INTERPRETED AS PREJUDICING A FINAL DECISION; AND
- (D) EMPHASIZE IN PUBLIC INFORMATION PROGRAMS THAT BOTH THE OUTCOME OF THE EVALUATION WILL TELL THE STORY.

ELLSWORTH ADDED THAT A FIFTH POINT WOULD BE THAT COUNTRIES SHOULD HIGHLIGHT THE POSITIVE BENEFITS OF THE EVALUATION THAT WILL RESULT EVEN IF A SINGLE TANK IS NOT SELECTED. DR. MANN AGREED AND NOTED THAT IT WOULD BE IMPORTANT TO COOPERATE CLOSELY IN THE PUBLIC INFORMATION FIELD. HE SUGGESTED THAT MR. EBERHARD AND DR. CURRIE REMAIN IN CLOSE TOUCH FOR THIS PURPOSE.

4. AT A LATER MEETING, MOD LEBER STRONGLY ENDORSED ABOVE POINTS. IN ADDITION, HE ADDED THAT THE FRG FELT IT COULD NOT COUNTER THE NEW SOVIET TANKS WITH THEIR 120MM CAPABILITY WITH A LESSER CALIBER GUN, EVEN TAKING INTO ACCOUNT 105MM AMMUNITION IMPROVEMENTS. HE SAID THAT THE FRG FINDS IT DIFFICULT TO UNDERSTAND WHY BOTH COUNTRIES CANNOT HAVE THE SAME GUN WHICH WOULD ACHIEVE AN IMPORTANT STANDARDIZATION OBJECTIVE, REGARDLESS OF THE OUTCOME OF THE COMPETITIVE TANK EVALUATION. HE URGED THAT THE US RECONSIDER ITS GUN SELECTION WITH THE OBJECTIVE OF BOTH NATIONS ACHIEVING COMMONALITY. RESPONDING TO THE 120MM GUN, MR. ELLSWORTH STATED THAT

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HE WOULD REPORT LEBER'S VIEW TO SECDEF RUMSFELD.

5. AWACS: DEPSECDEF STRESSED IMPORTANCE US ATTACHES TO EARLY SIGNING OF US-UK-FRG STATEMENT OF UNDERSTANDING SINCE THIS NECESSARY SIGNAL TO CONGRESS WILL ASSIST IN SECURING MODIFICATION OF CONGRESSIONAL COMMITTEE LANGUAGE WHICH WOULD WITHHOLD AUTHORIZATION OF ADDITIONAL US AWACS UNTIL NATO AGREES TO PARTICIPATE. DR. MANN, CITING OBSTACLES CONFRONTING MOD IN INSERTING

AWACS INTO ALREADY DEVELOPED MID-TERM FINANCIAL PLANS, SAID THAT AWACS MUST BE ANALYZED IN LIGHT OF POLITICAL AND MILITARY REALITIES AND PRIORITIES AND AGREED THAT DECISIONS ARE NEEDED AS SOON AS POSSIBLE. HE WENT ON TO SAY THAT HIS JOB, VIS-A-VIS THE BUNDESTAG, WOULD BE EASIER IF INITIAL DOLLARS 4 MILLION IN FUNDS WERE EAR-MARKED FOR R&D STUDIES AND ANALYSES RATHER THAN FOR PROCUREMENT. ACCORDING TO MANN, PROCUREMENT -- INCLUDING THAT OF LONG-LEAD ITEMS -- WOULD REQUIRE FORMAL BUNDESTAG APPROVAL. ELLSWORTH CONFIRMED MANN'S UNDERSTANDING THAT A FINAL PARLIAMENTARY DECISION ON PROCUREMENT WOULD NOT BE REQUIRED UNTIL DECEMBER, AND THAT DATA FOR THAT DECISION (E.G., MILITARY COMMITTEE REPORT ON NUMBER OF AIRCRAFT NEEDED, AND NATO REPORTS ON COSTS, INOST-SHARING FORMULA, ETC.) WILL BE PROCDED TO MINISTERS AT THE SPRING DPC AS A BASIS FOR DIALOGUES WITH PARLIAMENT, THIS FALL.

6. IN A SEPARATE CONVERSATION, ADMIRAL ZIMMERMAN SAID THAT HE HAD BRIEFED THE CABINET IN THE MORNING ON THE DEFENSE SITUATION AND THAT IN A LIVELY DISCUSSION IT WAS AGREED THAT DEFENSE PROGRAMS MUST BE MAINTAINED. ZIMMERMAN STATED THAT THERE WOULD BE A 1.5 PERCENT GROWTH PER YEAR OVER THE NEXT TWELVE YEARS. HE ALSO STATED THAT HE HAD MADE THE CASE FOR THE STATIONING OF A US BRIGADE IN NORTHAG. HILLENBRAND

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